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UNCLAS SECTION 01 OF 02 ALGIERS 000689

SENSITIVE  
SIPDIS

STATE PASS TO USTR PBURKHEAD AND BGRYNIEWICZ  
CAIRO PASS TO TREAS ASEVERENS

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TAGS: [ETRD](#) [PREL](#) [AG](#)  
SUBJECT: COMMERCE MINISTER NONCOMMITTAL ON WTO PROGRESS

REF: ALGIERS 481

11. (SBU) SUMMARY: In a long-awaited meeting on June 8, Commerce Minister El Hachemi Djaboub and his lead WTO negotiators offered us little in terms of concrete actions that the Algerians would take to accelerate their bid to join WTO. We received some indications of willingness to adjust Algerian negotiating stances, but the Minister and his team pledged no dramatic changes in economic policy that would facilitate joining the WTO. The Algerians said they had contacted a Swiss firm to translate 1,500 pages of documents into English, but offered no date by which the task may be completed nor assurances that future offers would be in English. Likewise, the Minister instructed his staff to create a legislative action plan similar to the Vietnam model, but his team leader suggested that the lists of Algerian laws already provided should be sufficient. The Algerian negotiators admitted that the lack of convertibility of the Dinar remains a problem for Algeria's WTO bid, but gave no hint that Algeria would change that policy and they insisted that there is no discrimination against foreign companies in Algerian law today. In general, the Algerians feel there are only a dozen or so outstanding issues to negotiate, and are waiting for USTR to provide them a list of priority goods market access items on which to focus. The Minister lamented the long, slow process that WTO negotiations have become for Algeria, and said that Algeria continues to make gradual progress toward economic and financial reform that should help its WTO bid. The Ambassador underlined several times in the meeting that while we support Algeria joining the WTO, the Algerians - not the Americans - must decide to take steps forward. Regarding MEPI/IESC programming, the Minister's team said they may still be interested, but that any such programming must be in French if it is to be effective. END SUMMARY.

12. (SBU) On June 8, the Ambassador delivered a demarche to Commerce Minister El Hachemi Djaboub regarding Algeria's bid to join the World Trade Organization (WTO). (NOTE: The appointment to meet the Minister was granted more than four months after the Embassy officially requested it by Diplomatic Note and informally through follow-on calls. The meeting had been canceled twice by the Algerians. END NOTE). The Ambassador spoke from talking points provided from Washington that suggested specific steps that Algeria could take to accelerate the negotiations leading toward its WTO accession.

ALMOST THERE?

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13. (SBU) Minister Djaboub and his lead WTO negotiators were at first upbeat, claiming that out of approximately 170 original questions to negotiate for WTO accession, only a dozen or so remained outstanding. The Ambassador expressed surprise, saying there were a variety of issues still outstanding. Chief WTO negotiator and Director General of Foreign Trade Cherif Zaaf admitted that the limited convertibility of the Algerian dinar remained a stumbling block between the United States and Algeria, as the lack of convertibility makes it impossible for companies doing business in Algeria but registered outside of Algeria to repatriate profits. Zaaf and his Minister insisted that Algerian law does not discriminate against foreign firms, however.

14. (SBU) The Ambassador suggested Algeria formulate comprehensive offers for goods and services to generate momentum among its bilateral negotiating tracks, rather than extending bilateral negotiations over a long period. Zaaf indicated that Algeria was waiting for a list of priority goods sectors from USTR because his last offers in services and agriculture were not considered priorities by U.S. negotiators. The Ambassador reminded the Algerians that, if USTR were to create such a list of priority discussion items for Algeria, the Algerians would need to negotiate them with genuine flexibility. He also told the Minister that the Algerian negotiators needed sufficient authority and flexibility to make commitments and negotiate new topics that might arise during a fruitful round of talks. The Minister lamented the slow, arduous pace of WTO negotiations, and noted that Algeria has been gradually reforming its economy

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and financial system, but that residual fears from the 2004 Khalifa banking scandal still curb the enthusiasm in some parts of government for greater reform and privatization. Ambassador noted that there are steps the Algerian negotiators can take now that are simple enough, such as listing in detail its existing sanitary and phyto-sanitary regime. (The Minister looked at his negotiator Zaaf who nodded and said this could be done.)

#### LEGISLATIVE ACTION PLAN - GOT ONE

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15. (SBU) The Ambassador told the Minister that, so far, the Algerian legislative action plans had not had enough detail to explain when and how new legislation would go into force and how that new legislation would resolve issues raised in WTO negotiations. We gave the Minister the sample legislative action plan for Vietnam provided by USTR, and encouraged the Algerians to create a similar tracking device.

Zaaf defended Algeria's previous efforts, saying they have already produced lists of laws related to WTO that were passed during the period 2001-2005. Minister Djaboub, nonetheless, directed Zaaf to create a new legislative action plan along the lines of the Vietnam model.

IN ENGLISH, PLEASE

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16. (SBU) The Ambassador stressed that Algeria should translate its offers and documents into English to make it easier to conclude negotiations with a number of parties, not just the United States. Chief negotiator Zaaf said that Algeria has contacted a Swiss firm with experience in WTO terminology to translate Algeria's documents into English, but noted that it would take some time and be expensive because there are over 1,500 pages to translate. Zaaf said they would prioritize the translation of documents generated from the last Working Party meeting that were most important, but we were given no timelines nor assurances that future offers would be in English. The Minister, meanwhile, expressed unhappiness over the cost but said the Algerian government would go forward.

17. (U) We also reiterated a proposal for a MEPI funded program to be implemented by the International Executives Service Corps (IESC) that would bring private experts to Algeria to offer workshops and counseling sessions specific to WTO accession (reftel). Zaaf and the Minister stressed that for such a program to be effective, it should be conducted in French to reach the target audience at the Ministry.

COMMENT: HERE WE ARE AGAIN  
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18. (SBU) While cordial and friendly, Minister Djaboub did not offer any particular assurances that Algeria will accelerate trade and investment regime changes to speed along WTO access negotiations. The Algerians seemed a bit more serious about providing documentation in English, but Zaaf's indication that he is waiting for USTR to create a priority list for goods access negotiations, and his reluctance to create a new legislative action plan like the Vietnam model, hint that he'll argue that the Algerians are doing all that they need to do if only Algeria's partners would make political decisions. When the Ambassador suggested that it would be more effective for the Algerians to submit comprehensive offers that would be acceptable to multiple WTO parties rather than trying to conclude a series of bilateral negotiations, Djaboub laughed and said, "In reality, if we conclude negotiations with you, everyone else will agree to let us accede." The government is a bit embarrassed that it cannot conclude the WTO accession talks, but not enough to accelerate economic reforms.  
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